

**- DEPARTMENT LETTERHEAD -
SAMPLE
COBRA ELECTION NOTICE
FLEXELECT MEDICAL REIMBURSEMENT ACCOUNT**

Date of Notice (**Current Date**)

Employee Name (and all covered dependents)

RE: NOTICE OF RIGHT TO ELECT COBRA TO CONTINUE ELIGIBILITY

Effective on _____, you have lost eligibility under the FlexElect Program, Medical Reimbursement Account (MRA). Your loss of eligibility is resulting from a _____ on _____. We are required by federal law, under the Consolidated Omnibus Budget Reconciliation Act (COBRA), to inform you of your rights to continue your MRA enrollment.

The statute provides that employees, who lose their eligibility, may continue their MRA under COBRA. If you elect COBRA continuation for your MRA, any existing funds in your account will be available for reimbursement of future eligible expenses you incur through the end of the same plan year. Please be aware that there are no tax savings on your MRA contributions made under COBRA.

If you choose not to elect COBRA to continue your MRA, the existing funds in your account will not be available for reimbursement of any expenses (incurred after loss of eligibility). This means you may only receive reimbursement of eligible expenses incurred while you contributed as an active employee.

In order to elect COBRA to continue your MRA:

- Complete and sign the enclosed COBRA Election Form.
- Complete and sign the enclosed Reimbursement Account Enrollment Authorization (STD. 701R). Indicate your monthly election amount on line #5A.
- Include your check or money order in the amount of 102% of your monthly election, made payable to the Department of Personnel Administration (DPA).
- Mail the COBRA Election Form, STD. 701R, and COBRA payment to your Personnel Office.

Please note: Your election is deemed made on the postmarked date the election form is returned to the department. If the election form is not postmarked by midnight on _____, then all rights to elect COBRA to continue your MRA coverage will end. The above date is the maximum 60-day election period required under COBRA.

No Eligibility During COBRA Election Period

You will not be able to file claims during the above election period. Any claim for services occurring on or after (date deductions stop) will not be paid. However, if your COBRA election is made as described above and retroactive COBRA payments are paid as described below, your coverage will be retroactive back to (date eligibility ceased) and any claim for services occurring on or after that date will be processed.

COBRA Payments for Medical Reimbursement Account

If COBRA is elected, you must continue paying your monthly COBRA premium into your Medical Reimbursement Account. The Department of Personnel Administration is not required to send a monthly bill. Your monthly COBRA premium to continue your Medical Reimbursement Account is \$_____.

Retroactive Payments

You will have a maximum of 45 calendar days from the date of election to pay any retroactive COBRA premiums to the Department of Personnel Administration. These premiums are for the eligibility period from the date of loss of eligibility to the date of elections. All claims occurring during the months of retroactivity will be held pending payment of premiums.

Future Monthly Payments

Each deposit must be submitted by the first of each month to ensure proper crediting of your account. Failure to pay the required contributions within the prescribed timeframes will result in the termination of your account. Please indicate on your check the month for which you are making a contribution and your social security number. Your check should be made payable to the **Department of Personnel Administration** and sent to the following address:

**Department of Personnel Administration
Benefits Division/FlexElect Program (COBRA)
1515 S Street, North Building, Suite 400
Sacramento, California 95814**

Upon receipt of your COBRA election package, we will forward it to DPA. After processing your request, DPA will send you a COBRA Enrollment Confirmation Letter with instructions for future COBRA contributions.

If you have any questions regarding this information or report a change in address, you may contact your Personnel Office or you may call DPA directly at (916) 327-6429.

Rev. 8/05